

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

BULLETIN 95-7

Issued this 20th day
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TO: ALL WORKERS' COMPENSATION INSURERS LICENSED IN MINNESOTA

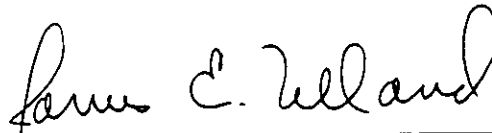
This bulletin supersedes Bulletin 91-5, dated November 5, 1991.

The Department of Commerce has received numerous inquiries from agents and insurers about the maximum workers' compensation limits that a company may offer under Minnesota law, for deductible or excess coverage plans. All subsequent references to the term "limit(s)" will apply, equally, to either type of plan. According to Minnesota Statute (M.S.) 79.34, Subd. 2 - Losses; retention limits, no insurer may offer a limit that is greater than its own retention limit with the Workers' Compensation Reinsurance Association (WCRA.) Currently, an insurer may opt and the Department would approve deductible plans that allow the insurer to offer limits no greater than the insurer's own retention limit with the WCRA. For the year of 1995 those limits are \$250,000 for the lower limit and \$450,000 for the higher limit.

M.S. 79.34 provides for an automatic increase of \$10,000, annually, to either limit. On January 1, 1996, retention options will become \$260,000 for the lower limit; two times that amount for the higher retention limit of \$520,000 and four times the lower limit for a new super retention limit of \$1,040,000.

Accordingly, effective immediately, no insurer may offer a workers' compensation large deductible or excess coverage policy/endorsement which provides limit options greater than that insurer's retention limit with the WCRA. Companies whose plans offer limits in excess of their own WCRA retained limit must file a revised EXPLANATORY MEMORANDUM, underwriting guidelines, an amended information page (if deductible limits are printed on the form,) and a statement certifying that no deductible limit/excess retention will be offered or written by the company in excess of its WCRA retention limit.

Questions regarding this Bulletin should be directed to Mary Lou Houde, Department of Commerce, 133 East 7th Street, St. Paul, MN 55101. Ms. Houde's telephone number is (612) 296-8592.



James E. Ulland
Commissioner of Commerce